

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 09812 01 OF 02 171823Z

46

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 L-02 H-02 SS-15 NSC-05

SP-02 SIL-01 LAB-04 OMB-01 PRS-01 PA-01 USIA-06 /069 W

----- 059088

R 171756Z APR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 8620

INFO AMEMBASSY LISBON

AMEMBASSY MADRID

AMCONSUL NICE

AMCONSUL BARCELONA

AMCONSUL SEVILLE

AMCONSUL BILBAO

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 09812

E. O. 11652: N/A

TAGS: EAIR, FR

SUBJ: CIVAIR: SUSPENSION OF TWA SERVICE TO NICE

REF: MADRID 2593

1. OUR CONSUL IN NICE ALERTED US EARLIER THIS WEEK THAT TWA PROPOSED SUSPEND SERVICE IT WAS TO COMMENCE TO NICE EFFECTIVE MAY 3. NICHOLS, TWA'S GENERAL MANAGER IN PARIS, HAS CONFIRMED TO US THAT TWA HEAD-QUARTERS HAD ADVISED APRIL 14 NICE SERVICE WAS TO BE SUSPENDED AS AN ECONOMY MEASURE THROUGH END OF THIS YEAR. TWA WOULD, HOWEVER, CONTINUE TO MAINTAIN ITS PRESENT SALES STAFF IN NICE, CONSISTING OF THREE FULL TIME AND TWO PART-TIME EMPLOYEES.

2. AS FOR RATIONALE BEHIND DECISION, NICHOLS SAID TWA HAD PANAM FIGURES INDICATING PANAM HAD BOARDED LESS THAN 4,000 PASSENGERS AT NICE IN 1974.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 09812 01 OF 02 171823Z

NICE MARKET, WHICH TWA HAD PLANNED TO SERVE WITH

TWICE WEEKLY FLIGHTS TO AND FROM NEW YORK VIA BARCELONA, COMES ALMOST ENTIRELY FROM US TOURIST TRAVEL. WITH DECLINE IN US TOURIST TRAVEL ABROAD, TWA HAD STILL PLANNED GO AHEAD WITH NICE SERVICE IF IT COULD HAVE COUNTED ON AT LEAST 15 NICE PASSENGERS EACH FLIGHT, BUT FROM ADVANCE BOOKINGS IT LOOKED AS IF MARKET WOULD BE NO MORE THAN 3-4 PASSENGERS PER FLIGHT AND ALMOST NONE IN THE OFF SEASON. AS RESULT, TWA FELT THAT IT HAD NO CHOICE BUT TO DECIDE SUSPEND UNECONOMIC SERVICE.

3. WE ASKED WHETHER CAB APPROVAL OF SUSPENSION OF NICE SERVICE HAD BEEN OBTAINED AND WHETHER SUSPENSION MIGHT VITIATE ROUTE SWAP AGREEMENT WITH PANAM WHEREIN PRESUMABLY THE ADVANTAGES AND DISADVANTAGES TO EACH CARRIER OF THEIR NEW ROUTES AND REVENUE POTENTIAL THEREOF HAD BEEN WEIGHED AND BALANCED OUT OVER-ALL. NICHOLS ASSUMED CAB APPROVAL HAD BEEN OBTAINED BUT WAS NOT SURE. HE SAID HE UNDERSTOOD THAT LONG, TWA'S VICE PRESIDENT FOR INTERNATIONAL OPERATIONS, HAD DISCUSSED NICE SUSPENSION LAST WEEK WITH DEPT. OF STATE. AS FOR ROUTE SWAP AGREEMENT, HE RECALLED THAT IT HAD BEEN UNDER DISCUSSION FOR LONG TIME PRIOR ITS FINAL APPROVAL BY CAB, AND HE SAID TWA HAD HAD FOR SOME TIME RESERVATIONS ABOUT WHETHER IT WOULD WANT TO SERVE NICE. IN MEANTIME, SITUATION IN AIR TRANSPORT INDUSTRY HAD DETERIORATED FURTHER COMPARED TO LAST FALL, WITH RESULT CARRIERS HAD TO BE EVEN MORE ECONOMY-MINDED NOW THAN BEFORE.

4. WE RECALLED GOF HAD BEEN FORMALLY APPRISED ONLY SHORT TIME AGO OF TWA'S DESIGNATION FOR NICE SERVICE FOLLOWING SUSPENSION OF PANAM SERVICE TO PARIS AND NICE UNDER THE ROUTE SWAP AGREEMENT, AND GOF WOULD DOUBTLESS BE CURIOUS WHY TWA HAD NOW SUDDENLY DECIDED SUSPEND SERVICE EVEN BEFORE INAUGURATING IT. GOF WOULD, HOWEVER, OBVIOUSLY WELCOME ELIMINATION OF US CARRIER COMPETITION AT NICE WITH POSSIBILITY ADDITIONAL TRAFFIC THUS GOING TO FRENCH CONNECTING CARRIERS FOR NICE PASSENGERS TRANSITING PARIS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 09812 01 OF 02 171823Z

NICHOLS SAID GOF HAS NOT YET BEEN INFORMED OF TWA DECISION THOUGH TWA MUST OF COURSE NOTIFY SGAC OF SUSPENSION OF SCHEDULE FOR NICE SERVICE THAT HAS ALREADY BEEN FILED.

5. WE ALSO RECALLED THAT WHEN CONNECTING SERVICES AT CDG AIRPORT HAD BEEN AN ISSUE WITH GOF LAST YEAR, TWA HAD PLACED MUCH EMPHASIS AT THE TIME ON NEED FOR

BETTER CONNECTIONS TO NICE WHICH IT HAD DESCRIBED
AS AN IMPORTANT MARKET EVEN THEN WHEN IT WAS COMPETING
FOR NICE BUSINESS WITH PANAM. NICHOLS REPLIED THAT
NICE HAD RELATIVE IMPORTANCE AS PROVINCIAL MARKET
BUT IT COULD NOT COMPARE IN IMPORTANCE WITH MARKET
IN MAJOR CAPITALS. THERE WERE THOSE WITHIN TWA
ORGANIZATION, HE SAID, WHO FELT TWA WOULD BE BETTER

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 09812 02 OF 02 171825Z

46

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 L-02 SS-15 NSC-05 SIL-01

LAB-04 OMB-01 H-02 SP-02 PRS-01 PA-01 USIA-06 /069 W

----- 059151

R 171756Z APR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 8621

INFO AMEMBASSY LISBON

AMEMBASSY MADRID

AMCONSUL NICE

AMCONSUL BARCELONA

AMCONSUL SEVILLE

AMCONSUL BILBAO

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 09812

ADVISED TO FOCUS SOLELY ON TRANSATLANTIC TRAFFIC
AND NOT BOTHER WITH SECONDARY MARKETS (E.G., NICE)
OR FIFTH FREEDOM TRAFFIC.

6. NICHOLS INDICATED THAT POSSIBLE SUSPENSION OF
SERVICE TO BARCELONA (REFTEL) WAS RELATED TO LABOR
PROBLEMS WHICH TWA WAS STILL HOPEFUL COULD BE
RESOLVED, AND HE SEEMED OF BELIEF THIS WAS UNRELATED

TO DECISION TO SUSPEND SERVICE TO NICE.

7. COMMENT: WHILE IT IS DIFFICULT FOR US IN ABSENCE OF ALL THE FACTS TO JUDGE MERITS OF TWA'S CASE IN WANTING SUSPEND SERVICE AT NICE, WE THINK THAT IT WOULD BE REGRETTABLE IF NO US CARRIER SERVED NICE, WHICH IS ONLY OTHER POINT IN METROPOLITAN FRANCE BESIDES PARIS WHERE US HAS TRAFFIC RIGHTS. MOREOVER, WE ARE A BIT SKEPTICAL OF TWA'S TRAFFIC LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 09812 02 OF 02 171825Z

PROJECTIONS ON WHICH DECISION WAS ALLEGEDLY BASED IN VIEW PANAM RESULTS AT NICE IN 1974 (ALBEIT WITH THREE FLIGHTS WEEKLY) ESPECIALLY SINCE TWA TELLS US IT HAD HELD UP LAUNCHING OF ADVERTISING CAMPAIGN IN EUROPE ANNOUNCING OPENING OF ITS NICE SERVICE. HOW CAN TWA COMPLAIN OF LOW ADVANCE BOOKINGS FOR FLIGHTS IT HAS NOT YET TRIED ACTIVELY TO SELL AT THIS END? TWA MIGHT REPLY THAT NICE-ORIGIN BUSINESS CONSISTS ESSENTIALLY OF RETURN LEG TRAVEL BY AMERICAN TOURISTS, BUT WE SUSPECT THAT THIS IS ONLY PARTLY TRUE. WE ARE ALL THE MORE SUSPICIOUS OF THIS TWA RATIONALE SINCE PANAM HAS TOLD US PRIVATELY THAT IN 1974 THEY DISEMBARKED 9,119 PASSENGERS AT NICE AND EMBARKED 9,829 PASSENGERS, WHICH ARE DOUBLE THE TRAFFIC FIGURES FOR PANAM WHICH TWA CITED TO US. WE ARE ALSO CONCERNED OVER IMPLICATIONS OF NICE SUSPENSION FOR CONTINUATION OF ROUTE SWAP AGREEMENT, WHICH WE UNDERSTAND FROM AVIATION DAILY IS UP FOR REVIEW BY WHITE HOUSE AT THIS TIME. WE ARE FURTHER CONCERNED OVER IMAGE OF US CARRIERS IN FRANCE, ESPECIALLY IF SUSPENSION OF SERVICE AT NICE IS TO FOLLOW SUSPENSION OF PANAM SCHEDULED SERVICE TO FRANCE AND FIRING OF OVER TWO HUNDRED EMPLOYEES AS WELL AS CLOSING OF TWA SERVICE STATION INVOLVING FIRING OF OVER 100 FRENCH STEWARDS AND STEWARDESSES BASED IN PARIS. AND WE ARE CONCERNED--THOUGH IT MAY BE MORE IMMEDIATE CONCERN OF DEPT.--OVER HOW SUSPENSION OF TWA SERVICE TO NICE MIGHT FURTHER FAN EUROPEAN ALLEGATIONS, WHETHER UNFOUNDED OR NOT, THAT IT IS CAPRICIOUS DECISIONS OF MANAGEMENT OF US AIRLINES AND FAILURE OF US CARRIERS FULLY TO EXPLOIT TRAFFIC POTENTIAL OF MARKETS OF "SECONDARY" IMPORTANCE IN EUROPE THAT EXPLAINS DIFFICULTIES OF US INTERNATIONAL CARRIERS FOR WHICH EUROPEAN CARRIERS ARE NOW BEING ASKED TO PAY THE PRICE BY WAY OF CAPACITY REDUCTIONS.

8. ACTION REQUESTED: WE WOULD APPRECIATE ANY BACKGROUND AND GUIDANCE THIS QUESTION, AND

SPECIFICALLY WHETHER CAB HAS APPROVED
SUSPENSION OF TWA SERVICE TO NICE.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 09812 02 OF 02 171825Z

STONE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR TRANSPORTATION, AIR SCHEDULES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PARIS09812
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750135-0213
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750442/aaaabmqqa.tel
Line Count: 232
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 MADRID 2593
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: SUSPENSION OF TWA SERVICE TO NICE
TAGS: EAIR, FR, US, TWA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006